

**Blue Cross
Blue Shield**
of Florida

PROFILE

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Helping Hands Boost United Way

Inside This Month: People; Mutualization

Fierce Play Highlights Tourney

The 1982 Blue Cross and Blue Shield Volleyball Tournament got off to a slow start as team members first had to sweep the morning rain off the courts. Many of the competitors got off to a slow start, too, as several teams were victims of defeat before early afternoon in the double-elimination tournament.

Excitement began to build as the championship match began between Dee Wetmore's three-time defending champions and upstart Charlie Graziano's team.

"We're always looking to win," said Wetmore. So was Graziano's team, which had placed second in regular season play. "We had all beaten each other during season play," said Graziano, "but we knew Dee's team was the team to beat. Still, we surprised a lot of people by being real hustlers."

Coming from the losers bracket, Wetmore's team, with only one loss, met Graziano's undefeated players in the semifinal. Wetmore's team won, moving them into the title match. Their opponent: the now once-defeated Graziano team.

The title match came down to the last of three games. The first game score was 15-2 Wetmore. The second, 15-11 Graziano. Despite plenty of hustle, Graziano's relatively new team fell to Wetmore's four-year veterans of 15-12 in the final game.

The surprise of the tournament was the early elimination of many teams that had done well in season play. The regular-season champions were one example. Ronnie Rountree's team lost only one game during the season, but was eliminated before the semifinal match.

"We had the best team out there," said Rountree, "but we just beat ourselves. We let the waiting between games and referees' calls get to us. I was really looking to win this tournament."

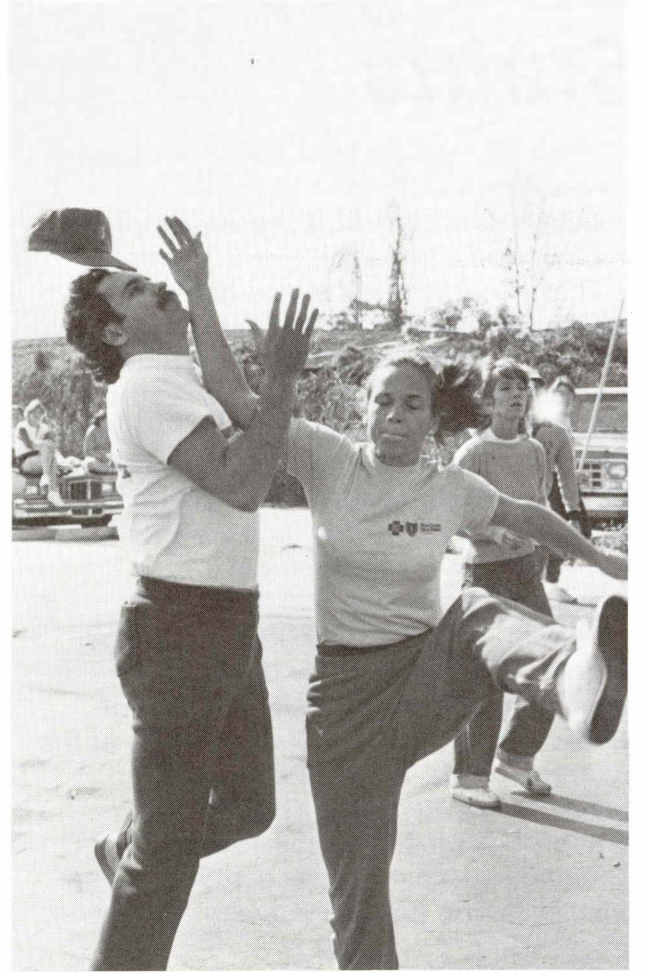
Members of the winning team, in addition to coach Dee Wetmore were Debbie McLane, Kathy Kessler, Bobbi Rhodes, Jim Gray, Travis Bullard, Ron Mullis, George Reagan and Frank Giordano.

The tournament attracted 30 or 40 spectators who enjoyed a crisp, sunny day.

Some of the Plan's volleyball players will get to do it all over again. The Employees Club is sponsoring its first city league volleyball teams. Two mixed teams will be battling Independent Life, Century 21, AT&T, Hartford and possibly others. Coach Dean Phillippi, a Plan programmer analyst, said "I've seen some of the other teams, and without a doubt we should be able to win. Right now, Century 21 looks like our biggest competitor."



Greg Lowe returns shot as Tina Henault watches.



Charlie Graziano and Elaine Weathers collide during play.



Susan Waltrip sweeps away morning rain.

United Way Giving Surpasses Dollar Goal

The helping hands of Plan employees boosted United Way giving to a new record this year.

At Blue Cross and Blue Shield, employees gave \$90,543, surpassing the goal of \$85,000. That total represented a 39 percent increase over giving in 1981.

"So many people were willing to help with the campaign this year," said Jeanie Gilreath, Human Resources staff coordinator for the United Way program. This year, about 100 people were involved in the campaign as aides or coordinators, compared with about 30 last year, Gilreath said. "The apparent increased commitment from management to the campaign increased the enthusiasm from employees," said Gilreath.

"The personal touch of the campaign

helped, too," she said. "People give to United Way when they understand how it helps people in Jacksonville. The employees who helped us go beyond our goal should be proud and should be commended for responding to the needs of the community."

Margaret Svenson, chairman of the Plan's campaign, echoed that response. "Of course I'm pleased that we met our goals, but more than that I am pleased with the teamwork that developed. Our success was due to the tremendous effort by our group coordinators and campaign aides, the generosity of our employees, and the support of management," Svenson said.

Increased giving this year also helped the Plan's loaned executive, Tommy

Herrington, surpass his corporate giving goal. Herrington collected \$110,000 from his 52 accounts, surpassing the goal set by United Way of \$103,000 for those accounts. Those same accounts gave only \$78,000 last year.

The Florida Plan was Herrington's largest account, and although 75 percent of his active accounts increased their giving this year, it was the Florida Plan's increase that put him over the top. "The support from Margaret Svenson, Jeanie Gilreath and top management was the key to the success of the campaign," Herrington said.

That teamwork also helped United Way of Jacksonville tally a recordbreaking \$6,205,823 in contributions for the 1982 campaign.

Company Changes Status

Mutual: Of, relating to or taking the form of an insurance method in which the policyholders constitute the members of the insuring company.

That's how Webster's, one of the more venerable dictionaries, defines mutual. On October 1, 1982, Blue Cross and Blue Shield of Florida became a non-profit mutual insurance company. The Plan now operates along the lines of the Webster definition. That means policyholders now are members of the Plan and have an interest in the Plan's business.

Becoming a mutual didn't happen overnight. The first rumblings of change began during preliminary discussions with legislators in the spring and summer of 1981, in anticipation of Sunset review of the insurance code. Mutualization was suggested by Rep. Tom Gustafson, chairman of the House Insurance Committee, as a means of achieving equal rate regulation for the Plan with the rest of the industry.

Once it became apparent that mutualization was the preference of the legislature, a task force, led by Legal Affairs Director Al Celio, was formed to study the idea and develop a plan of action for equal regulatory treatment. "There was very little precedent to guide us in forming a non-profit mutual," Celio said. "But we had a bright group of people on our task force who were willing to learn and who brought expertise from their respective areas of the corporation."

The task force divided its work into three phases:

- Learning about mutual companies and the mutualization process
- Developing a feasibility study and recommendations.
- Implementing the transition to a non-profit mutual insurer and advising policyholders of the change in the Plan's structure.

By law, the Plan was subject to prior approval of rates charged to customers. That meant rate adjustments had to be filed with the Florida Department of Insurance and approved before new rates could be charged. Commercial insurers were not governed by prior approval, and could charge new rates immediately after filing. Prior approval caused significant losses in premium income for the Plan because of frequent and lengthy delays inherent in the process.

As a mutual, the Plan may now file rate adjustments with the Department of Insurance and implement rate changes immediately. This will protect the Plan against unnecessary losses in premium income due to the regulatory delays inherent in the prior approval process.

"We will continue to set rates which provide the best health care coverage to our members at the most reasonable prices," Celio said.

"Changing to a mutual company should not disrupt Plan operations or change our job responsibilities as employees. As a mutual company, we will try even harder to provide superior service to our members and customers," said Celio. Direct pay policyholders, local group policyholders, national accounts for which we are the control plan, and trustees of business employer trusts are all part of Blue Cross and Blue Shield of Florida's voting membership.

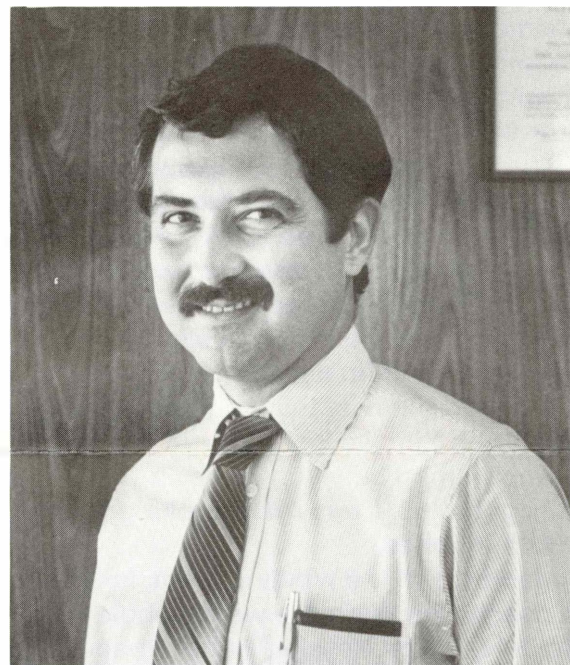


Mutualization task force members include (seated from left): Bill Arehart, Dick Warner, Al Celio and Tom McGeehan; Standing are Frank Cardin, Mark Stelmacher, Tom Stanley, John Slattery, Paul Mitalas, Jeanne Bellocq and Karen Mitchell. Carl Herring is not pictured.

FEP subscribers, state employees, and Medicare beneficiaries will not vote as they are not policyholders of the Plan.

"The conversion to a mutual company has been relatively smooth thus far, due in large part to the efforts of the task force and the support of top management and the Board of Directors, as well as the cooperation of the state insurance department, in reviewing and approving the necessary documents," Celio said. "The task force was a key in helping foster the cooperation that we needed among the various group members."

"Through the mutualization process we have learned that at Blue Cross and Blue Shield of Florida, we can handle just about any task with the appropriate levels of staff work, and support from the Plan's executives and commitment. Converting to a non-profit mutual company was a major accomplishment for Blue Cross and Blue Shield of Florida, Inc.," Celio said.



Legal Affairs Director, Al Celio

WATS Line Was a Hot Line

As part of its planning, the Mutualization Task Force correctly predicted that a special WATS line would be needed to answer inquiries about the change to a non-profit mutual insurance company.

"Anytime we go to the consumer with major new information, we set up a WATS line," said Hank Barnett, manager of Customer Service. "As a company, we sometimes forget that our subscribers aren't trained in the health insurance field. They sometimes really can be baffled by our changes."

The Mutualization WATS line opened October 5. In the first week there were 2,000 calls. "We really haven't had too many calls," said WATS Line Project Director George Quinney, "especially when you consider that 400,000 subscribers received letters about our change. I think that shows that the task force did an excellent job of informing our public."

Seven customer service representatives, two of them bilingual, were given intensive training in answering questions about mutualization and other aspects of the company. Then they waited for the calls to

start coming in. They didn't have to wait long.

"Most subscribers just didn't want change," said Cecelia Rains. Another customer service representative, Helen Denny, agreed, "Subscribers call and may really be irate, wanting to know why we have changed," Denny said. "But after we talked to them, they usually apologized and soon were telling us how much they like Blue Cross and Blue Shield. They seemed so happy to have their questions answered. To me, there was no doubt that the WATS line was an important part of the mutualization effort."

Most of the initial calls were about rates. Callers seemed to think that becoming a mutual meant the Plan was raising rates, Quinney said, which isn't true.

"Some subscribers were worried that they had been paying too much," Quinney said. "But I don't think we had any who were worried that they were paying too little."

In addition to Quinney, Rains and Denny, the special WATS line staff included: Angela Broughton, Tricia Mastrangelo, Martha Vega and Helen Royal.

People



Linda Steckley

Secretary Earns Certification

Becoming a Certified Professional Secretary is not easy. Across the nation, only 20 percent of the candidates achieved CPS status this year.

Linda Steckley, executive secretary to Vice President of Public Affairs John Slye, recently was included in that select group. It took Linda six years of study and testing to pass the exams required for CPS recognition, while maintaining a home and family.

The tests are administered over a two-day period and consist of six separate tests covering behavioral science in business; economics and management; accounting; communications application; business law; and office administration and technology.

"Going through the program gave me the opportunity to improve my education and helped me get started on my degree in business administration," Linda said. "It also broadened my knowledge about management philosophy and techniques."

"It was a real challenge because I had been out of school for a long time and it was difficult to study at night without neglecting my husband and two daughters. Without the support of my husband, Larry, I don't think I could have made it."

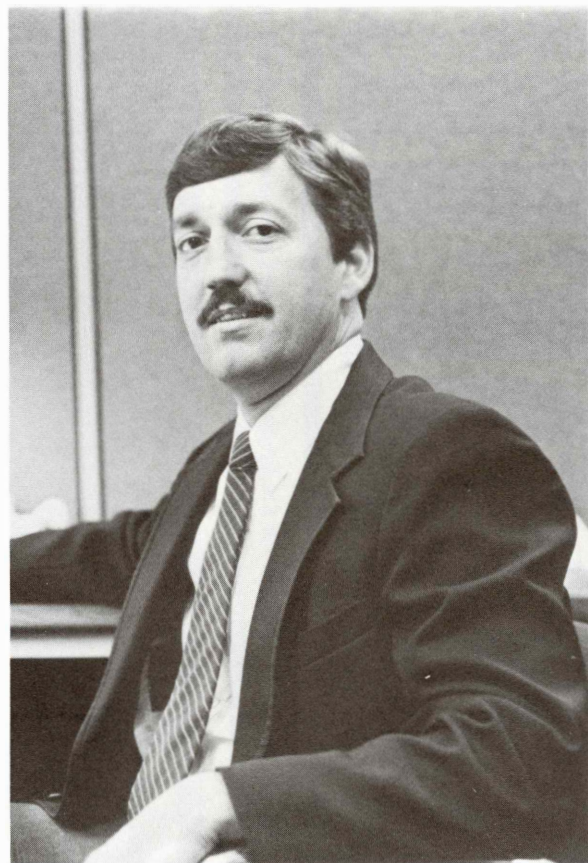
Linda added that she would encourage other secretaries to look into the CPS program because it offers an educational opportunity and a chance to work with others in business. It's also a very rewarding experience, she said.

Whitehead Joins Hospital Group

Dan Whitehead, staff consultant in Provider Automated Services, recently became a member of the American College of Hospital Administrators. The ACHA is a professional society of hospital and health service administrators that promotes high standards of competence and ethics for its members.

To qualify for membership, a candidate must have a college degree in hospital administration, demonstrate additional professional development, pass a day-long written and oral examination, and be a nominee for at least three years.

Whitehead served as director of Provider Relations for the Florida Plan before taking the position as staff consultant. Prior to coming to the Plan, he was hospital administrator for Okaloosa Memorial Hospital in Crestview, Fla. He received his master's degree in health administration from Georgia State University in Atlanta.



Dan Whitehead



Al Lombana and Cheryl Kirkland hear Gavel Club graduate Nancy Palladino.

Gavel Club Honors Graduates

"You are taking your career in your own hands. It's unbelievable what a person can accomplish when that person feels he has allies."

Those were the words of Al Lombana, keynote speaker at the recent Gavel Club graduation, as he congratulated club members for being a support group for employees looking for ways to improve themselves.

Each graduating club member received a plaque and a gavel as well as a traditional comedy roasting from a co-worker.

Graduates included Willie Pearl Blackwell, claims examiner, Medicare B; Vondalee Childs, medical analyst, Medical Division; Paula Green, claims examiner,

Medicare B; Victoria Hackford, customer service representative, State Group; Val Linardi, customer service representative, Telecommunications; Nancy Palladino, technical adviser, Federal Supplemental; and Doris Turner, customer service representative, Motor Company Retirees.

The Gavel Club is designed to help members improve individual communication skills. Meetings are held each Tuesday from 7:30 - 9 a.m. Membership is open to any Plan employee with the permission of the employee's immediate supervisor. For more information, call Jeanie Gilreath, club adviser, ext. 6580.

Bowler Rolls Awesome Game

Scott Ausum was on a roll. He had bowled eight strikes in a row. But in the ninth frame, a lone pin refused to fall, ruining Scott's shot at a perfect game.

Instead of 300, Scott came away from that game with a 289, still enough to help his Blue Cross and Blue Shield Bowling League team win. Scott, a member of Garfield's Gang, said, "I was happy. But it would have been more fun if I had gotten them all." Garfield's Gang also includes

Sheila Ausum, Betty Ausum and Jim Moorhead.

Scott bowled well all night and finished the evening with a 209 average, the highest individual average so far this season. He also had the highest average in last year's season, a 196.

Scott, a programmer analyst in Systems Development, is a member of one of 10 teams in the Plan's bowling league, which plays every Thursday at 6:30 p.m. at the Bowlarama on Phillips Highway.



Scott Ausum

Guard Douses Burning Car

Gerald Shirley is popular with his fellow security guards at Blue Cross and Blue Shield. Because he rotates duty with his colleagues, he's an especially welcome sight around break time.

Recently, Margaret Strickland, a customer service representative for the Plan, was also very glad to see Shirley.

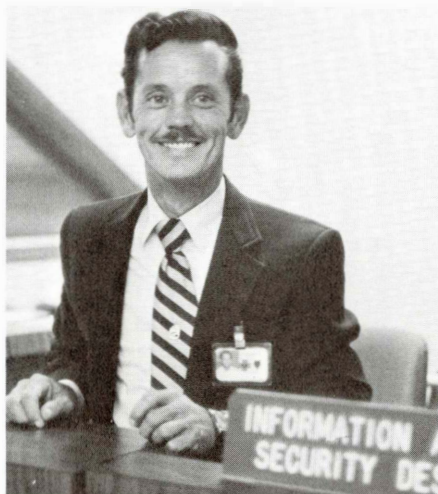
As is his daily custom, Shirley was directing traffic outside the parking garage from 4:30 - 5 p.m. As Strickland's car came down the ramp, Shirley noticed it was on fire. He motioned for her to stop, helped her out of the car and doused the fire.

"I had no idea the car was on fire," Strickland said. "If he hadn't stopped me, the motor might have exploded. I'm sure thankful he was there."

Shirley said he was just doing his job. "I was more concerned with her safety than mine. I'm just glad I was there so that nothing serious happened."

Billy Alsobrook, supervisor of Safety and Security, said that about five similar fires have been extinguished by his staff in the last nine years.

"Normally it's a rare occurrence," Alsobrook said. "But several days after Shirley put out the car fire in the garage, Tom Templeton put out another car fire in front of the building."



Gerald Shirley



Interpreter Dominique Dunn and Dave Dingfield of PAS talk things over with Andre Cormier and Richard Illien.

French Execs Visit Plan

The people in Provider Automated Services know how good it feels to be No. 1. Recently, they had a chance to show how much hard work goes into achieving top ranking.

Two executives from the French accounting firm Defense Artisans et Commercents de France (DACF) recently visited the Plan.

DACF President Andre Cormier and Richard Illien, president of a data processing subsidiary of DACF, came to Blue Cross and Blue Shield to look at the PAS data processing network for collecting claims from 5,000 health care providers. The PAS system is recognized as a leader in the field of electronic claims processing.

DACF officials especially wanted to get a closer look at the working relationship between the Plan and Texas Instruments, which supplies the equipment for the electronic claims network.

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